



# Capital City Preparatory Schools, Inc.



November 30, 2003

Ms. Kate West  
Budget Analyst  
Leon County Board of County  
Commissioners

Tallahassee, Florida 32301

RE: Funding Request of \$35,000 for Capital City Preparatory Schools, Inc.

Dear Ms. West:

This correspondence is to acknowledge and address the questions of your November 23, 2003, e-mail concerning the abovementioned request, which is on the Agenda for December 9, 2003:

1. How does Capital City Preparatory plan to spend the \$35,000 dollars by line-item?

Payroll \$35,000

2. Please supply a copy of the school's overall budget for the current year.

The overall budget for Capital City Preparatory Schools is attached hereto.

3. You are requesting the funding because a funding source you were relying on is not giving you the funds. Who is the funding source you were relying on and why are they cutting their funding? What percentage is the funding source out of your total revenue? What is the amount you were expecting to receive from this funding source - \$35,000? If the amount is not \$35,000, have you covered part of the deficit through other sources?

The funding source is via the Florida Tax Corporate Scholarship Fund which provides scholarships to students who qualify for the free and reduced lunch program. As background, last year, 90% of our students received checks from the Scholarship Funding Organization(SFO), Florida Child and endorsed those checks over to the school for their children's tuition. The checks are made payable to the parents, but are mailed to the schools. The \$50 million cap was raised to \$88 million so that new scholarships could be offered this year. Parents applied



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and were approved for the scholarship with the Scholarship Funding Organization (SFO) in Jacksonville – HEROES. Those parents chose Capital City Prep as their school of choice for the 2003-2004 school year. Unfortunately, two week before school began, those parents received letters from the SFO that a decision had been made to not issue new scholarships this year. That decision was made because of a tremendous negative media campaign onslaught in South Florida, that began with erroneous information regarding an USF professor and a Central Florida school receiving scholarship funds. The professor was charged with terrorist activities linked to Iran and erroneous information spread that the SFO funded terrorist activities. Those accusations have since been proven false, but the SFOs across the state decided not to issued new scholarships and communicated the final decision on September 16, 2003.

The current amount we receive from the SFO represents 65% of our revenue. CCPS had accepted 30 students, that would have brought in an additional \$105,000. This amount would have been made in five(5) payments of \$21,000 in September, November, February, March and May. This amount would have more than addressed our financial obligations, but has instead caused a serious short fall for the months of November and December. Due to the late notification that there would be no new scholarships, we were not in a position to raise all the necessary funds before school The \$35,000 is the final amount of the deficit needed to be addressed. Unfortunately, it also represents our major monthly expense- the payroll.

4. Has your school been audited yet? Have you filed a 990 with the IRS?

No

5. What will happen if you do not receive the \$35,000?

We would have to owe the teachers' salaries for one month and we especially do not want to do that during the holiday season.

6. How many members serve on your Board of Directors and how often do they meet?

Currently five (5) individuals serve on our Board and we meet Bi-annually.